

ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2003
FOR
I P G PHOTONICS (UK) LIMITED



I P G PHOTONICS (UK) LIMITED

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for the Year Ended 31 December 2003**

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I P G PHOTONICS (UK) LIMITED

COMPANY INFORMATION
for the Year Ended 31 December 2003

DIRECTORS:	T Mammen C Vishowaty
SECRETARY:	A Lopresti
REGISTERED OFFICE:	22 Buckingham Gate London SW1E 6LB
REGISTERED NUMBER:	04132272
AUDITORS:	Wellers Accountants Registered Auditor Stuart House 55 Catherine Place London SW1E 6DY
BANKERS:	Barclays Bank plc Barclays House 8 Alexandra Road Wimbledon London SW19 7LA

**REPORT OF THE INDEPENDENT AUDITORS TO
I P G PHOTONICS (UK) LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages three to five, together with the full financial statements of the company for the year ended 31 December 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages three to five are properly prepared in accordance with those provisions.



Wellers Accountants
Registered Auditor
Stuart House
55 Catherine Place
London
SW1E 6DY

Date:

20 July 2004

I P G PHOTONICS (UK) LIMITED

ABBREVIATED BALANCE SHEET
31 December 2003

	Notes	2003		2002	
		£	£	£	£
FIXED ASSETS:					
Tangible assets	2		-		637
CURRENT ASSETS:					
Debtors		28,021		163,965	
Cash at bank and in hand		<u>52,679</u>		<u>35,583</u>	
		80,700		199,548	
CREDITORS: Amounts falling due within one year		<u>278,826</u>		<u>333,841</u>	
NET CURRENT LIABILITIES:			<u>(198,126)</u>		<u>(134,293)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£(198,126)</u>		<u>£(133,656)</u>
CAPITAL AND RESERVES:					
Called up share capital	3		100,000		100,000
Profit and loss account			<u>(298,126)</u>		<u>(233,656)</u>
SHAREHOLDERS' FUNDS:			<u>£(198,126)</u>		<u>£(133,656)</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



T Mammen - Director

Approved by the Board on JULY 15, 2004

The notes form part of these abbreviated accounts

I P G PHOTONICS (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS for the Year Ended 31 December 2003

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 33% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Operating Leases

Rentals paid under operating leases are charged to the profit and loss account evenly over the life of the lease.

2. TANGIBLE FIXED ASSETS

	Total £
COST:	
At 1 January 2003	
and 31 December 2003	<u>2,654</u>
DEPRECIATION:	
At 1 January 2003	2,017
Charge for year	<u>637</u>
At 31 December 2003	<u>2,654</u>
NET BOOK VALUE:	
At 31 December 2003	<u>-</u>
At 31 December 2002	<u>637</u>

3. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2003 £	2002 £
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

4. ULTIMATE PARENT COMPANY AND CONTROL

The ultimate parent company is I P G Photonics Corporation, incorporated in USA which is controlled by Dr V P Gapontsev.

IP G PHOTONICS (UK) LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
for the Year Ended 31 December 2003**

5. RELATED PARTY DISCLOSURES

During the period sales were made to IPG Laser GmbH £9,180 (2002 - £99,085). Purchases were made from IPG Laser GmbH of £289,055 (2002 - £508,504) and IPG Photonics Corporation £Nil (2002 - £29,565). Loan interest and management charges were paid to IPG Photonics Corporation of £12,635 (2002 - £20,436). All are group companies.

Management charges were paid to IP Fibre Devices (UK) Limited of £70,550 (2002 - £109,051).

At 31 December 2003, the balance owing by a group company was IPG Laser GmbH £6,002 (2002 - £Nil). Balances owing to group companies were IPG Photonics Corporation £164,708 (2002 - £183,017) and IPG Laser GmbH £39,376 (2002 - £107,019). An amount of £41,427 (2002 - £13,208) was owing to IP Fibre Devices (UK) Limited.